

Appendix E

Self-Inspection Program Information



THE COMMISSIONER OF CUSTOMS

WASHINGTON, D.C.

March 22, 1999

MEMORANDUM FOR ALL MANAGERS AND SUPERVISORS

FROM: Commissioner *ORK*

SUBJECT: Self-Inspection Program

During the last 3 months, the staff of the Management Inspections Division (MID), Assistant Commissioners, designated Program Coordinators for each major office, and several field experts have designed the Customs Management Self-Inspection Program. I am pleased to announce that the formulation of the Self-Inspection Program is complete and will be fully implemented during the month of March.

Self-inspection plans have been developed by each Assistant Commissioner that include an inventory of mandatory and discretionary core areas with corresponding worksheets. The Self-Inspection Worksheets (SIW's) for operational and universal core areas were designed by Customs program managers and field experts to contain the most important activities that managers should be examining. The universal worksheets represent activities that are common to all managers who have delegated responsibilities in administrative and operational areas.

The redesign of the management inspection program is one of the many steps I have directed to improve management accountability and foster integrity from within the Service. I think it is extremely important, as a basic management responsibility, for managers at all levels to examine their operations periodically, to certify the accuracy of the examination, and to implement corrective actions.

In anticipation of the start date, the MID staff and Program Coordinators have begun to brief and train managers on the Self-Inspection Program. Self-Inspection Plans and SIW's will be distributed to Headquarters and field offices by March 22, 1999. The first self-inspection period is March 29 to May 15, 1999. The first self-inspection will cover the period from October 1, 1998, to March 31, 1999. The Assistant Commissioners' reports are due to MID by June 30, 1999. Feedback and evaluation of the first full self-inspection will follow. MID will begin their inspections in July with the anticipation of reaching every organization to verify and validate self-inspections once every 2 years.

I want to emphasize that this is your program. I prefer you identify your own issues and corrective actions. You do not want others to do this for you. A positive and honest approach to this process begins with your decision to give it your best effort. I am expecting you to meet the challenge as we learn together from the experiences of self-inspections.



DATE: August 23, 1999

ORIGINATING OFFICE: IA:MID
SUPERSEDES: 1520-001, 4/10/89
REVIEW DATE: August 2001

Self-Inspection Program (SIP) Document

1. PURPOSE/OBJECTIVES. To establish a self-inspection program to verify that the Customs mission is performed in the most effective and efficient way. The self-inspection system incorporates performance measures under development, process improvement activities and routine supervision.
2. POLICY. The self-inspection program is the platform for managers and supervisors of the organization, from the top to the bottom, to evaluate their success in managing, assessing and reporting on the state of their operations. This will build accountability throughout all levels of the organization and foster integrity from within. The focus of self-inspections for managers and the Management Inspections Division (MID) will be areas susceptible to financial vulnerability and corruption, mission performance, resource utilization and internal and external relations.
3. AUTHORITIES/ REFERENCES. Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123.
4. DEFINITIONS.
 - 4.1 A unit is defined as a work group that has its own distinct organizational code and/or responsibility or delegated authority for any core area designated within the self-inspection program.
5. SCOPE. Every unit manager within the Customs Service will perform a self-inspection at least semi-annually that will include operational and mission support areas.
6. RESPONSIBILITIES.
 - 6.1 The Director, Management Inspections Division (the independent inspection organization for Customs), Office of Internal Affairs, is responsible for the overall management of the Self-Inspection Program.
 - 6.2 Assistant Commissioners and major staff officers (Office of the Commissioner) are responsible for developing and maintaining Headquarters and field inspection plans and Self-Inspection Worksheets in accordance with established criteria contained in Section 7.2.
 - 6.3 Assistant Commissioners for Offices of Investigations and Field Operations shall maintain a support staff for the Self-Inspection Program.

6.4 Assistant Commissioners will designate Program Coordinators to the permanent Self-Inspection Program Work Group.

6.5 Directors, Field Operations, and Special Agent in Charge (SAIC) offices and other field offices will conduct self-inspections and report and certify to the Assistant Commissioners the results of their own and their subordinate organizations within their purview.

6.6 Port Directors and Resident Agents in Charge (RAIC) will perform self-inspections and report and certify results of self-inspections.

6.7 First-line supervisors are responsible for conducting and reporting self-inspections at least semi-annually.

7. METHODOLOGY.

7.1 Self-Inspection Structure: Plans and Core Area Self-Inspection Worksheet (SIW) (See 7.3)

7.1.1 Each Assistant Commissioner will designate a Program Coordinator for Self-Inspections as a member of the Self-Inspection Work Group that is chaired by the Director, Management Inspections Division. The Work Group will meet periodically to further develop the program through evaluation of self-inspection activities and operational changes. The Work Group will meet as often as necessary at the discretion of the chairperson. Each Assistant Commissioner will develop and maintain a Self-Inspection Plan consisting of universal (mandatory) and operational (mandatory and discretionary) core areas for Headquarters and field components. Each plan will meet the program criteria as follows:

7.2.1 Covers all major responsibilities and delegated authorities

7.2.2 Involves all managers up and down the chain of command

7.2.3 Contains universal (mandatory), and operational (mandatory and discretionary) core areas

7.2.4 Contains certification and corrective action procedures

7.2.5 Provides semi-annual reporting

7.3 A Self-Inspection Worksheet (SIW) has been developed for each core area. The Core Area Self-Inspection Worksheet is a list of questions that address the most significant control points (procedures of a core area). The questions will be answered to describe the conditions as they exist at the time of the inspection ("as is").

7.4 The management official of the organizational element responsible for the core area will assign a certification level. This certification will be based on the definitions in Section 9. The worksheet will be reviewed for concurrence and approval up the respective organization's chain of command to the Assistant Commissioner level.

8. FREQUENCY OF SELF-INSPECTIONS. Self-inspections will be conducted at least semi-annually. The self-inspection scope will consist of activities for the six-months preceding the inspection. Core areas can be inspected anytime during the cycle. After the first year, inspection periods will cover January to June and July to December. Reports will be due in August and February.

8.1

SIP REVIEW CYCLE

1 st	10/1 - 3/31	Due in MID - 6/30
2 nd	4/1 - 12/31	Due in MID - 2/15
3 rd	1/1 - 6/30	Due in MID - 8/15
4 th	7/1 - 12/31	Due in MID - 2/15

The initial review cycle was six months; the second is nine months in order to change the reporting cycle to the calendar year. This nine-month period is necessary to perform evaluations, revisions, and inspections based on the initial review data. All subsequent cycles will be six months from the previous cycle. (3rd/4th = Regular Cycle)

9. CERTIFICATION. The intent of certification by the responsible officer is to give a candid and honest evaluation of each core area that discloses and describes the level of compliance to the next level of management. Two possible certification levels are described below.

<u>Acceptable</u>	Everything is in compliance or an acceptable management practice and no corrective action is necessary.
<u>Needs Improvement</u>	One or more activities is not in compliance or not an acceptable management practice and requires corrective action.

10. RESPONSIBLE CERTIFICATION LEVELS. Self-inspections will be conducted at all levels of the chain of command and be proprietary at all levels. The owner (proprietary) or interested party should conduct the self-inspection. Self-inspections should be completed at the lowest supervisory/managerial level. Managers are encouraged to conduct the self-inspection themselves where practical; however, the

actual work of the self-inspection may be delegated to a subordinate. If delegated, the manager and/or supervisor must discuss the contents of the inspection with the employee doing the inspecting prior to the certification. Each management official will certify results to the next level of the organization for reporting purposes.

11. REPORTING OF SELF-INSPECTION RESULTS.

11.1 Results of self-inspections, including worksheets, identification of documents and transactions sampled, and other reviewer notes, will be maintained on file until the review and validation by the Management Inspections Division is completed. Management Inspections Division inspections, unit self-inspection worksheets, and associated documents/reports should be maintained for four inspection cycles (2 years). Two complete Management Inspections Division inspection results/reports should always be on file.

11.2 INTERIM REPORTING REQUIREMENTS. There will be a manual reporting system to capture data until the automated system is operational. Each level of management will report through the chain of command that self-inspections were done, during the scheduled self-inspection period, are accurate, have been analyzed and corrective actions taken with timelines. Narrative descriptions of core areas rated "Needs Improvement" along with a corrective action plan (addendum) will be forwarded to the next level of management. Reporting requirements were issued in a memorandum under separate cover.

11.3 Each Assistant Commissioner will be required at the end of each self-inspection cycle to provide the Director, Management Inspections Division with a written report to certify that the self-inspections were done, were accurate, were analyzed and corrective actions taken with timelines.

11.4 The Director, Management Inspections Division will provide the Commissioner and Assistant Commissioners with a consolidated report reflecting the results of the self-inspections, issues identified, trends, and actions taken by each Assistant Commissioner, and the results of the inspections conducted by the Management Inspections Division. The Management Inspections Division will also provide information on findings or trends related particularly to universal core areas to the appropriate Assistant Commissioner via the Self-Inspection Work Group. The reporting typically follows this flow:

11.4.1 Appropriate First Line Supervisors/Managers (responsible party) - Prepare worksheets and certifies

11.4.2 Reviewers (next level of supervision) or Supervisor Reporting Officers - Certify

11.4.3 Port Directors/ASAICs - Certify

11.4.4 Directors, FO/SAICs - Certify

11.4.5 Assistant Commissioners - Certify semi-annually to the Management Inspections Division that self-inspections were complete, accurate, analyzed and appropriate corrective actions were completed or are in process.

11.4.6 Management Inspections Division - Confirms results, informs Commissioner.

11.4.7 Commissioner - Reviews and discusses results with Assistant Commissioners and Management Inspections Division.

12. AUTOMATED SYSTEM REPORTING (IN PROGRESS). At least semi-annual reports through an automated system will be required. The system will be accessible across all management levels of Customs organizations and candor will be an important ingredient. Reporting will be required at all levels where self-inspections are completed.

12.1 The deadlines for completion of the self-inspection reporting through the Assistant Commissioners will be August and February of each year except as noted in 8.1 above.

13. RELATIONSHIP TO MANAGEMENT CONTROL REVIEWS AND FMFIA.

Self-inspections are to be the means by which reviews of management controls are conducted in Customs. Self-inspection worksheets have replaced all Headquarters and field directed management control review checklists. Therefore, the Self-Inspection Program has become the official Customs management control review program in response to requirements of the Federal Managers' Financial Integrity Act (FMFIA) and Office of Management and Budget (OMB) Circular A-123.

13.1 Results of self-inspections which indicate control weaknesses will be addressed in the same manner as would similar management control review results, i.e., the appropriate management level would take or begin to take necessary action to correct the identified control weakness. Verification that the corrective action was completed and such action corrected the identified weakness will be accomplished by the validations conducted by the Management Inspections Division.

13.2 After confirmation of the reviews' results, the Management Inspections Division will provide a report to the Assistant Commissioner (Office of Finance) outlining the nature and potential impact of any major control weaknesses identified via the self-inspection process. This information will be used, along with other information received from Assistant Commissioners and Process Owners, for the purpose of identifying potential material weaknesses which might be included in the Commissioner's Annual Assurance Statement on management controls (required by the FMFIA). The Commissioner's Annual FMFIA Assurance Statement will continue to

be prepared by the Office of Finance and included in the Customs Annual Accountability Report.

14. INDEPENDENT VERIFICATION & VALIDATION BY THE MANAGEMENT INSPECTIONS DIVISION. The Management Inspections Division will evaluate self-inspection plans, and validate the self-inspection certifications. Validations will provide a vehicle for feedback on process improvement to all levels of management. The Management Inspections Division will report inspection results that are positive, negative, and those areas deemed as best practices.

14.1 Mandatory core area worksheets will be reviewed annually with the organizational units to incorporate new strategies and mission objectives. As suggested by research or executive management direction, core area worksheets will be created or deleted as required.

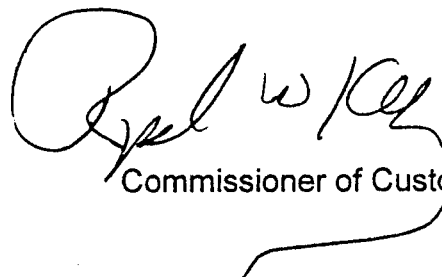
14.2 Part of each major organization will be inspected by MID at least every 2 years, e.g., Field Operations (CMC), SAIC, Aviation Branch, and Headquarters Office. The Management Inspections Division will conduct follow-up inspections as necessary.

14.3 The validation may consist of one or more of the following at the discretion of the Management Inspection team leader:

- Official notification requesting self-inspection results
- Automated System Research and Analysis
- Internal/External Interviews
- Management Surveys
- On-site Testing

14.4 A report describing MID's inspection results will be posted to the Self-Inspection Reporting System and differences in certifications and deficiencies will be reported through the chain of command.

15. TRAINING. The Management Inspections Division will provide self-inspection training to all managers and supervisors and/or provide a training guide to all key managers as needed or requested. Also, the Management Inspections Division will conduct training at the Federal Law Enforcement Training Center for all new Customs supervisors.


Commissioner of Customs

Core Area Self-Inspection Worksheet

Core Area: Airport Personal Search Policy **Office Inspected:** _____

Rating: Mandatory **Level of Reviewer:** Chief Inspector/Process Owner

Activity Evaluation	Yes	No*	N/A	HQ: Guidance	Field: Remarks
1. Have all inspectional personnel signed acknowledgement of receipt for the personal search handbook and attended the training? (CIS Handbook 3300-04, Sept. 1999)					
2. Were any personal searches conducted by non-trained personnel? (CIS, HB3300-04)				Was training available?	
3. Were any personal searches conducted by non-Customs personnel? (INS, APHIS)				Was training available?	
4. Were all personal searches, except immediate patdowns for weapons, approved by a supervisor? (CIS, HB 3300-04)					
5. Was a Supervisory Checklist completed for each personal search? (CIS, HB 3300-04)					
6. Was an appropriate TECS record created for each personal search? (CIS, HB 3300-04)					
7. Did the automated search report narratives provide clear explanation of the suspicious factors, times of notifications, and the circumstances of the search? (CIS, HB 3300-04)					
8. Was a TECS IOIL query conducted on all passengers who were subject to a personal search? (CIS, HB 3300-04)					

*** If no, complete the addendum.**

**Core Area Self-Certification
(Check one):**

☐ **Superior**

☐ **Acceptable**

☐ **Needs Improvement**

I have conducted a self-inspection of this Core Area, and this worksheet accurately represents the results of my inspection.

Reporting Officer Certification: _____ **Date:** _____

I have reviewed this worksheet and concur that the rating accurately reflects the results of this self-inspection.

Supervisor Reporting Officer Certification: _____ **Date:** _____